July 5, 2005

Comments on USDA's Draft Strategic Plan and Draft Program Standards for a National Animal Identification System, APHIS-2005-0044, Agency Docket No. 05-015-1

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On April 25, 2005 the USDA unveiled two documents, a "Draft Strategic Plan" and a "Draft Program Standards document for the National Animal Identification System (NAIS). The follow comments from AgInfoLink reflect our collective experience in providing traceability solutions, both regulatory and value driven, across the globe.

About AgInfoLink
Founded in 1997, AgInfoLink designs and develops secure, high quality, low-cost traceability tools for the world's food supply. AgInfoLink provides the food industry with data collection, secure data transmission, data warehousing, reporting and analysis tools for increasing profits and reducing risk. AgInfoLink technology solutions allow agribusinesses to collect, transfer, share, extract, transform and report on information from individual units of production throughout the entire food supply chain. By providing the tools to manage individual production units, rather than aggregating products into groups, AgInfoLink has provided customers increased efficiencies, increased commodity value, and advanced "value traceability" from the farm to the table. AgInfoLink envisions a food industry where linked information and traceability provide enhanced business performance, regulatory compliance, and overall food security.

AgInfoLink has wide experience with animal traceability. AgInfoLink customers and work experience include traceability
- for customers in Australia in the development and implementation of their NLIS,
- for customers in Canada in the development and implementation of their national and provincial livestock identification systems,
- for customers in Brazil in the implementation of the SISBOV program for export product
- for USDA NAIS pilot projects in Kansas, Texas, California, Arizona, Oregon, South Dakota, North Dakota, Kentucky, Alabama, Georgia, North Carolina, Virginia, Mississippi, and Wisconsin.

This broad range of experience qualifies AgInfoLink to provide critical review of the USDA's proposed NAIS documents.

Comments

These two documents did provide quite a bit of detail in two areas: the timeline the USDA sees for implementing a mandatory NAIS, and the detailed data formats the USDA plans to use to communicate various data about premises ownership and animal movements within the NAIS. Up to January 2008, according to this plan, all participation would be voluntary, but in January 2008 premises registration and animal identification would be mandatory and by January 2009 the reporting of all animal movements would be mandatory.

What these documents did not do is provide the same level of detail about the industry's "top of mind" questions about how the program will actually work. Without a consensus, it will be difficult to achieve the USDA's 48-hour traceback objective; an objective that is nearly universally supported by both government and industry.

Understanding the answers to these questions is important for everyone in the food supply chain, not just livestock producers and processors, because the precedents set now in the livestock industry are likely to be implemented in other agricultural sectors. We've seen this progression in other parts of the world, and it's reasonable to expect that this same pattern will be repeated in the U.S.

Detail Needed

USDA identified that work still needs to be done to answer these questions, and we agree: Who will pay? How much will it cost? How will information be kept confidential? How will we prevent government information creep? How will we protect producers against possibly increased liability exposure? The USDA acknowledges that these are still open questions, and they give every stakeholder in the food supply chain the opportunity to weigh-in with their recommendations.

The only guidance USDA provides is to say "A comprehensive description of system standards will be determined over time through field trials, user experience and the federal rulemaking process . . . The Federal Register notice acknowledges the outstanding concerns of some stakeholders, and frames questions for which USDA will be seeking answers as it moves forward with the NAIS. These questions pertain to funding for the system, confidentiality of data in the system and flexibility of the system, among other things." We believe more is required, and that we do have the ability to flesh out more of the system before it gets rolling so the use testing can be more specific.

These questions, and some others we present below, are not trivial. The two USDA documents go into extreme detail about the exact data format to use when reporting an animal movement to the NAIS, but they provide little guidance on the questions of the program's acceptability. Producers aren't really very interested (but we know the standard is necessary) that the premises identification number is composed of 7 characters, the last of which is an ISO 7064-compliant modulo 37,36 check digit. Producers and processors want to know are the details about how the USDA sees these

numbers being protected and kept confidential, and how any of these data will be protected against "information creep" – being used by some government agency for some purpose other than 48-hour traceability in the event of a disease incident.

Also, we don't think the list of key questions is complete. To this list we would add questions that are not mentioned in the USDA documents:

Will the program become mandatory? Draft plan calls for mandatory premises ID and animal ID by Jan 2008, and mandatory reporting of movements by Jan 2009. Is mandatory ID needed for effective animal disease surveillance? Some would argue that adequate **surveillance** can be achieved with much less than 100% compliance. We'll leave this sensitive question for comments from the industry policy leaders. From our company's perspective, we will play by the rules established.

Are the Timelines Realistic? Given USDA's glacial progress to date, the targeted timelines are achievable. However, industry may well have systems in place well in advance of USDA because of free market factors that demand greater traceability.

How will compliance be enforced after NAIS is mandatory? Someone has to be the cop. Without a real compliance program, the system will have holes. This is a policy question, not a technical one, and an answer needs to be provided so all constituents can comment. Further, the USDA indicates the States and tribal groups will bear most of the burden of implementing the program. Will the USDA provide guidelines and have State enforcement? Who will fill this role in the State and tribal groups? Will there be consistency in enforcement across all State and tribal groups?

What role will private databases play? Our position about the importance of private databases has been made clear. We believe it's possible to store the animal movement information in a private database and provide the government just-in-time information when needed for surveillance, investigation, and planning purposes. Such an approach will go a long way towards answering the confidentiality and "information creep" issue. Industry, major farm groups, and retailers have endorsed this approach as the best way to jointly manage NAIS in a true spirit of government and industry cooperation. Integration with a private system also addresses other important questions:

- o Funding. The private side (industry) of a national system could be privately funded through a surcharge on the initial tag or enrollment into the system. This is the easiest way to fund the system and simplest to administer. Canada's CCIA is a working example of this model.
- o Flexibility. Rather than USDA investing in the development and maintenance over time of information systems, contracting through privatized systems will be a more cost effective and flexible solution. Reliability and security tests can be modeled to ensure system operability and security.
- o NAIS could certainly allow for multiple Data Service Providers on the private side. Multiple Data Trustees are a workable solution, but a single Data Trustee on the private side as proposed by NCBA would provide a defined

single point of contact for USDA and eliminate any concerns by USDA over timely access to data.
- o Offering a duplicative publicly managed system creates duplicated costs and unnecessary confusion in the industry.
- o Data Service Providers may specialize in certain species. Ultimately, however, a single Data Trustee that covers all species as described above is the preferred solution.
- o One integrated system connecting USDA, states, and industry is the preferred solution.

What about Confidentiality? USDA should only have access to Premises ID (which represents producer name, contact information, operation type), Animal ID, Event code (tagged, sighted, moved, died, slaughtered, etc), and time/date stamp of Event. Even this information should remain as confidential as USDA can provide.

Why provide a data structure for more than the minimum required information? Numerous times in these documents USDA indicates the NAIS will be used exclusively to plan and implement 48-hour traceback for disease control. The documents also say that the only data required to achieve this goal is the animal identification number, the reporting premises number, the event code, and the date of the event. However, the Draft Program Standards document in Table 6 defines a database structure that has been copied directly from the USAIP document regardless of the intervening comments that have been made, and includes data items such as the species, date of birth, age, gender, breed, and other items not relevant to the disease control task. Some industry commentators have cited the continued inclusion of these data items as evidence that USDA plans a broader role for the NAIS database than just disease control. In fact, the two documents hint of a broader NAIS role. We note that when you explore the FDA regulations concerning the food industry 24 hour compliance there is a detailed process by which government must follow, with checks and balances, before any data can be requested. We do not see the same level of care reflected here.

What events are mandatory to report, and what events are voluntary? All of the exhortations in the strategy document indicate that the NAIS needs to be kept as simple as possible. We agree. However, Table 7 in the Draft Program Standards lists 14 different animal events that could be recorded in the NAIS database for a single animal, and there's no guidance about which are mandatory and which are voluntary. The only guidance on this topic is the chart at the end of the Draft Program Standards for the cattle/bison standards which indicates that only a "Move-In" event by the receiver is required to be reported. The USDA needs to provide more specificity here because requiring both "Move-Out" and "Move-In" events, and requiring these to be reconciled will substantially increase the complexity and cost of the initial system. It must also be recognized, however, that accurately recording of "Move-Out" and "Move-In" events will exponentially increase the effective ability of the data set to reveal not only individual animal movements, but also animal cohorts necessary to investigate disease incidents and contain disease spread. Such a report takes into consideration when an

animal is co-located with other animals. This determines animal to animal direct contact – a critical point in monitoring animal diseases. Without approximate move in/move out dates, cohort reporting becomes nearly impossible with any degree of accuracy. Cohort reporting is essential if NAIS is to have any measure of effectiveness.   On the other hand, only requiring "Sightings" (a single sighting of an animal sometime during its tenure on a premises) would substantially simplify the initial system.

Who should report movements? Both buyer and seller would be well served to report the movement of animals. If an agent (order buyer, auction market, etc) is involved in the transaction, these agents could provide the reporting as a service to their customers. While one reporting party may be sufficient, encouraging both parties to report insures that the transaction is covered. If only one is to be required, buyers will typically be in better position to provide reporting since most buyers are larger scale than, for example, 800,000 cow/calf producers. An agent such as an order buyer or auction market, however, may be best positioned to provide this service and that alternative should be contemplated by USDA.   Animal movement, regardless of animal age, should be recorded and submitted. There is no justification for exempted any class or age of livestock.

How will data be reported? The most efficient and accurate method for data transfer is electronic. Multiple electronic methodologies are available. USDA would be well served to require electronic data submission and allow producers to choose from data service providers in industry to provide this service. Ideally, all data collection and reporting will be handled through private data service providers and a private Data Trustee, with USDA having 24/7/365 access to required data as needed. In this model, producers would not send data direct to states or USDA.

What is the phasing timeline for all species? The documents are mute about what species are implemented when. The presumption is that all species would be implemented concurrently. Would, for example, it be possible to accelerate the timetable if only specified species were initially added to NAIS? The most pressing need is for bovine animal ID. Other species should be incorporated into the system as soon as practicable. Because some diseases are not necessarily species specific or can affect multiple species (FMD), having all species of livestock incorporated into national ID is imperative.

How will the State systems operate in conjunction with each other and the Federal system? As previously mentioned, the documents make it clear that the States and tribal groups will shoulder much of the responsibility for implementing NAIS. USDA, however, doesn't say much about how this will happen, from where the budget will be provided, and how these different systems will truly interconnect. We know this part of the plan is by no means trivial.

Will my existing tags be "grandfathered in"? Millions of cattle and other species are already tagged utilizing ISO 11784/11785 compliant radio frequency identification (RFID) tags. These tags sold in the USA are 15 digit and unique as discussed in the AIN

standards. The official AIN will begin with the 840 USA country code. It is anticipated that all new RFID devices used as official tags will comply with this 840 standard. However, given that millions of animals are already tagged using the current standards, it would be an extreme and unnecessary cost burden to require the existing tags to be replaced by a new tag. We recommend that existing ISO compliant tags be grandfathered into the NAIS program.

<u>Summary</u>
These are by no means the only questions that need to be answered before we move NAIS to the next phase, but answering this group of questions, along with the questions USDA acknowledges require resolution, will go a long way to planning for success.

We've laid out a series of questions needed to flesh out the detail in the NAIS plan. We urge the USDA to lead with specifics so we can run our businesses effectively. Precedents are being set.

If there are questions concerning these comments, please contact Mark Armentrout at 770-329-5375.

Respectfully submitted,

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